



# Committee On Finance

**Max Baucus, Ranking Member**

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## **NEWS RELEASE**

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### **Statement of Senator Max Baucus Senator Pushes to Add Trade Adjustment Assistance Amendment to the JOBS Bill**

(WASHINGTON, D.C.) U.S. Senator Max Baucus (D-Mont) today stressed the importance of providing relief for service workers who have been displaced by trade. Senator Baucus will join Senators Wyden (D-Ore) and Coleman (R-Minn) in co-sponsoring a Trade Adjustment Assistance (TAA) amendment to the "Jumpstart Our Business Strength" (JOBS) Act that will be considered by the Senate next week. The primary goal of the Amendment would be to extend TAA benefits to the service sector. The floor statement follows:

"Mr. President, next week the Senate will consider a Trade Adjustment Assistance amendment introduced by my colleagues Senators Wyden and Coleman. I am a co-sponsor of this amendment, which is offered on the JOBS bill, to which we will be returning next week. I also want to acknowledge Senators Rockefeller and Bingaman, who have worked hard to produce a strong amendment.

This amendment is the right thing to do. And now is the right time to do it. The JOBS bill is about creating jobs and about keeping existing jobs in America. But we all know that – no matter how strong we make this JOBS bill – some workers may still see their jobs move overseas.

Since 1962, Trade Adjustment Assistance – what we call "TAA" – has provided retraining, income support, and other benefits so that workers who lose their jobs due to trade can make a new start. The rationale for TAA is simple. When our government pursues trade liberalization, we create benefits for the economy as a whole. But there is always some dislocation from trade.

As President Kennedy said, "those injured by . . . trade competition should not be required to bear the full brunt of the impact." "There is an obligation," he said, for the federal government "to render assistance to those who suffer as a result of national trade policy." We meet that obligation through TAA. The TAA program has not been static over time. Several times, Congress has revised the program to meet new economic realities.

Most recently, in the Trade Act of 2002, Congress completed an important overhaul and expansion of the TAA program. I am very proud to have played a leading role in passing this landmark legislation. But I am also the first to admit that our work is not done. Economic realities continue to change, and TAA must continue to change with them. I am co-sponsoring

the Wyden/Coleman amendment, because it makes common sense changes that help TAA keep up with the times.

Most importantly, the amendment extends TAA to service workers. Right now, we only give TAA benefits to workers who make things. That means American workers in the service sector cannot access this program. But today, more than 80 percent of non-farm U.S. jobs are in the service sector. And the market for many services is becoming just as global as the market for manufactured goods.

Trade in services is a net plus for the U.S. economy. In fact, the service sector generated a trade surplus of nearly \$74 billion in 2001. Just as we have seen with trade in manufactured goods, however, trade in services will inevitably cost some workers their jobs. Indeed, there have been some well-publicized examples in the papers. Examples abound of service-sector jobs – even high tech service jobs – relocating overseas. Software design. Technical support. Accounting and tax preparation services. Radiology. Over the past three years, somewhere between a quarter and a half million service jobs have moved to other – mainly low-wage – countries.

This trend has hit home in my state of Montana. Recently, a large technical support call center closed in Kalispell. At least 550 Montanans lost their jobs while jobs were created in Canada and India. Another Montana employer laid off workers doing medical billing and data management. Those workers applied for TAA and were turned down – not because the layoff wasn't trade related, but simply because they are service workers.

That's not right. Extending TAA to cover service workers is a simple matter of equity. When a factory relocates to another country, those workers can apply for TAA. When a call center moves to another country, those workers are not eligible for TAA. But they should be. This amendment also makes some modest changes to eligibility rules to make it more user-friendly for workers. It removes some of the steps that workers have to take to meet the tests for shifts in production, alternative TAA, and to qualify for the health insurance tax credit. And it makes the health insurance options available to TAA recipients more affordable.

The amendment provides for better data collection and reporting. That way Congress and the public will have a better idea who is using TAA benefits and how participants are faring in the job market. The amendment also helps trade-impacted communities to better plan their economic redevelopment and job creation strategies. That way workers who complete TAA retraining have a better chance of finding jobs in their communities.

Hard-working American workers deserve this safety net. Despite what some opponents of TAA suggest, no worker would choose to lose his job so he can qualify for TAA. These benefits will always be second best to a job. But they can really make a difference in helping workers make a new start.

It is also critical to note that TAA can make an important difference in public attitudes. Surveys show that most Americans feel a lot more comfortable with globalization, offshoring, and trade when they know they will get help if their jobs are threatened. That's why 66 percent of Americans responding to a recent poll agreed with the following statement: "I favor free trade, and I believe that it is necessary for the government to have programs to help workers who lose their jobs."

The world is changing and TAA must keep up with the times. This amendment will help our government to keep its promise to the American people to make trade work for everyone. I

commend my colleagues Senator Wyden and Senator Coleman for offering this amendment. I look forward to voting on it next week.”

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